

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of California-American Water
Company (U210W) for Approval of the Monterey
Peninsula Water Supply Project and Authorization
to Recover All Present and Future Costs in Rates.

A.12-04-019
(Filed April 23, 2012)

**CALIFORNIA-AMERICAN WATER COMPANY'S COMPLIANCE FILING
RESPONDING TO ADMINISTRATIVE LAW JUDGE'S QUESTION
CONCERNING DROUGHT DECLARATION**

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Dated: February 7, 2014

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Administrative Law Judge Angela K. Minkin’s January 27, 2014, *Ruling Setting Forth Updated Schedule and Addressing Other Matters* ordered California-American Water Company (“Cal-Am”) to make “a compliance filing that details the impact, if any, on this proceeding of Governor Brown’s proclamation of a drought State of Emergency, issued on January 17, 2014.”

Although Governor Brown’s proclamation and the circumstances that underlie it emphasize the precariousness of California’s water supply, Cal-Am does not expect it to directly impact this proceeding. The proceeding’s focus is narrow – the Monterey Peninsula Water Supply Project (“MPWSP”). The MPWSP’s purpose is to address the “urgent need,” as the Public Utilities Commission has previously recognized, “to find an alternative water supply” for Cal-Am’s Monterey County District.¹ In short, the sole purpose of this proceeding is to “determin[e] whether the applied-for project should be approved; it is not a general forum for

¹ D.10-12-016, *In the Matter of the Application of California-American Water Company (U210W) for a Certificate of Public Convenience and Necessity to Construct and Operate Its Coastal Water Project to Resolve the Long-Term Water Supply Deficit in Its Monterey District and to Recover All Present and Future Costs in Connection Therewith in Rates*, 2010 Cal. PUC LEXIS 548, *35; see also *Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply project and Authorization to Recover All Present and Future Costs in Rates*, filed April 23, 2012, at p. 5. The purpose of the proceeding is to resolve the following question: Is the proposed [MPWSP] a reasonable and prudent means of securing replacement water for the Monterey District of Cal-Am, and would the granting of the application be in the public interest? A.12-04-019, *Assigned Commissioner’s Scoping memo and Ruling*, filed June 28, 2012, at p. 2.

entertaining water supply options....”² Nor is it the proper site for dealing with other issues impacting Cal-Am’s Monterey District. Thus, at this time, and based on its current information and understanding, Cal-Am does not believe Governor Brown’s proclamation of a drought State of Emergency, issued on January 17, 2014, directly impacts this proceeding.

It should, however, be noted that the proclamation emphasizes the uncertainties and instability of many of the State’s water sources. Importantly, the MPWSP, and in particular its desalination component, is critical to providing greater reliability in such a challenging environment.

Dated: February 7, 2014

Respectfully submitted,

By: /s/ Sarah E. Leeper

Sarah E. Leeper
Attorney for Applicant
California-American Water Company

² Ibid.